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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA

10
11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 PLCMGMT LLC, dba PROMETHEUS
LAW, JAMES A. CATIPAY, and
16 DAVID A. ALDRICH,

17 Defendants.
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Case No. 2:16-cv-02594-TJH (FFMx)

**RECEIVER'S NINTH STATUS
REPORT AND ACCOUNTING**

Judge: Hon. Terry J. Hatter, Jr.
Ctrm.: 9B

RECEIVER'S NINTH STATUS REPORT AND ACCOUNTING

As the Court-appointed Receiver of Defendant PLCMGMT LLC, dba Prometheus Law ("Prometheus"),¹ I submit this Ninth Status Report and Accounting.

I. Receivership Accounting

The receivership bank account currently has a cash balance of \$180,628.41. Attached as Exhibit A is the SEC Standardized Fund Accounting Report for the receivership period from appointment on April 26, 2016 through August 21, 2020. That report indicates total receipts of \$2,115,163.43, less total disbursements of \$1,934,535.02, resulting in net cash of \$180,628.41.

II. Receivership Assets

A. Clawback Judgments

After the Receiver filed clawback lawsuits against Prometheus sales agents² and James Catipay's family and friends,³ we reached settlements with some defendants, recovering \$473,365.36 from Prometheus sales agents and \$21,112 (75% of our claim) from Catipay's sister.

We also obtained judgments against eight Prometheus sales agents and Catipay's parents, brother, former girlfriend, and ex-wife.⁴ *See McNamara v. Allen, et al.*, Case No. 2:17-cv-0285-TJH (FFMx), ECF No. 96 (C.D. Cal. Apr. 26, 2019); *McNamara v. Catipay, et al.*, Case No. 2:17-cv-04347-TJH (FFMx), ECF Nos. 46, 50, and 56 (C.D. Cal.); *McNamara v. Palacio*, Case No. 2:18-ap-01056-VZ, ECF No. 24 (Bankr. C.D. Cal. July 13, 2018). While judgment collections are

¹ I was appointed by the Court's Preliminary Injunction entered April 26, 2016 (ECF No. 20).

² *McNamara v. Allen, et al.*, (C.D. Cal.) Case No. 2:17-cv-02858-TJH (FFMx).

³ *McNamara v. Catipay, et al.*, (C.D. Cal.) Case No. 2:17-cv-04347-TJH (FFMx).

⁴ One Prometheus sales agent was dismissed for improper venue.

1 inherently challenging, utilizing contingency fee counsel to collect on the judgment
2 remains the most cost-effective option for the receivership estate. The Receiver
3 has engaged collections attorneys on a contingency basis to collect on thirteen
4 judgments totaling more than \$2.3 million. We agreed to pay \$20,000 retainer for
5 costs (e.g., filing fees and other court costs) and will pay attorney's fees of 50% of
6 any recovery (after payment of costs). Collections from these judgments should
7 exceed the small cash offers that we received for the outright sale of the judgments.

8 **B. Case Portfolio**

9 The case portfolio of mass tort cases (primarily made up of Risperdal cases)
10 generated by Prometheus-funded marketing remains the primary potential asset of
11 the receivership. The law firm Sanders Phillips Grossman (the "Sanders Firm")
12 has primary responsibility of the case portfolio. Unfortunately, the Sanders Firm
13 reports little in the way of material developments since our last report. A
14 mediation with Risperdal defense counsel had been scheduled for September 2020
15 in New York, but the mediation was cancelled due to New York's 14-day
16 quarantine requirement for all travelers from states with significant rates of
17 COVID-19 transmission. The Sanders Firm expects the mediation will be
18 rescheduled soon and we will update as appropriate.

19 Dated: August 24, 2020

By: /s/ Thomas W. McNamara
Thomas W. McNamara,
Receiver

CERTIFICATE OF SERVICE

I hereby certify that on August 24, 2020, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of the filing to all participants in the case who are registered CM/ECF users.

/s/ Edward Chang
Edward Chang